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# Perspectives

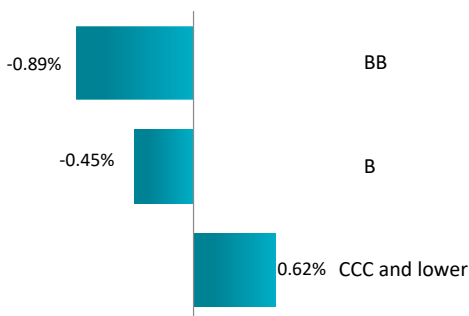
## US High Yield

### Market Update

The ICE BofA Merrill Lynch U.S. High Yield Index generated a negative return of -0.55% during October. Treasury rates rose during the month due to strong economic data and signs of stickier inflation which led to tighter high yield spreads. The high yield market had inflows during October of approximately \$1.1 billion. Capital markets activity decreased 26% vs. September as 39 bonds priced for \$27.2 billion in proceeds. There were no high yield bond defaults and four distressed exchanges during the month. The par-weighted default rate, excluding distressed exchanges, decreased from 0.94% at the beginning of the month to 0.55% at the end of the month. The high yield default rate has now fallen to a 26-month low whereas the leveraged loan default rate has risen to a 44-month high.

During October, U.S. High Yield outperformed U.S. Treasuries (-2.48%), U.S. Corporates (-2.25%) and U.S. Equities (S&P 500 -0.75%). Within U.S. High Yield, BB-rated credits (-0.89%) underperformed single B-rated credits (-0.45%) and CCC and lower-rated issues (+0.62%). From a sector perspective, only 2 of the 18 sectors in the index posted positive monthly returns. The best performing sectors were Telecommunications (+0.40%), Transportation (+0.15%), and Media (-0.12%). On a relative basis, the worst performing sectors were Capital Goods (-0.95%), Real Estate (-1.00%) and Healthcare (-1.08%). The High Yield Index's Option Adjusted Spread tightened 15 basis points to 288 at the end of October. The yield-to-worst of the index ended the month at 7.33%, an increase of 35 basis points from the start of the month (6.98%). Finally, the index's average price was \$95.72 at month end, \$1.00 lower than the \$96.72 average price at the start of the month.

### Returns by Rating<sup>1</sup>



### High Yield Industry<sup>1</sup>

	as of: 10/31/2024		
	YTD Total Return	OAS	YTW
<b>US HIGH YIELD INDEX</b>	<b>7.44</b>	<b>288</b>	<b>7.33</b>
Automotive	5.85	264	7.10
Banking	8.12	188	6.29
Basic Industry	7.34	237	6.78
Capital Goods	6.03	259	7.10
Consumer Goods	7.65	261	7.06
Energy	6.64	255	7.07
Financial Services	7.69	249	6.94
Healthcare	10.93	305	7.49
Insurance	6.81	218	6.78
Leisure	6.88	189	6.39
Media	6.15	510	9.41
Real Estate	8.40	276	7.06
Retail	8.66	273	7.13
Services	7.10	253	6.99
Technology & Electronics	8.77	283	7.26
Telecommunications	7.07	492	9.33
Transportation	7.80	277	7.15
Utility	6.23	177	6.31

Sources: AXA IM, ICE BofA ML, J.P. Morgan  
 as of October 31, 2024.

(1) ICE BofA Merrill Lynch US High Yield Index.

## US Short Duration High Yield: Strategy Activity and Performance

### Portfolio management comments

AXA IM's U.S. Short Duration High Yield Strategy performed very well during October, delivering a roughly flat return and outperforming the overall market's -0.55% decline (gross and net of fees, USD). Performance mainly benefitted from the shorter duration nature of our holdings, partially offset by our up-in-quality positioning. Short duration high yield continues to benefit from the flatness of the high yield yield-curve, capturing roughly 85-90% of the overall market's yield.

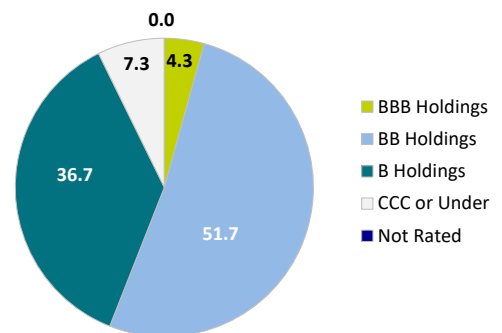
The yield-to-worst of the Strategy (exclusive of cash) widened by 24bps to 6.16%, while the market yield widened by 35 bps to 7.33%. The Option Adjusted Spread of the Strategy tightened by 8 bps to 167 bps. The overall Strategy duration (using a calculation of modified duration-to-worst) increased to 1.9 and market duration also increased to 3.4. Position count remained stable in October and the Strategy remains well diversified. We believe that diversification of portfolio holdings is important for the Strategy and helps to manage credit risk. Our top holding, a 1.5% position, was Sirius Xm Radio. At month-end, approximately 30,6% of the portfolio was invested in securities in excess of three years, which we expect to be redeemed early. This is up versus the previous month.

Market technicals were supportive yet again as flows remained positive, and the primary market, while fairly active, remained refinancing focused. Inflation data, upcoming Fed rate cuts, and slowing economic growth remain the primary drivers of market movements, however we still believe that corporate credit fundamentals remain healthy and the high yield default rate will continue to be benign. Valuations from a yield perspective remain attractive and offer a coupon-like return, and with markets focused on the trajectory of interest rates and the impact of a modest US slowdown, we believe the Short Duration Strategy remains well positioned in this market environment.

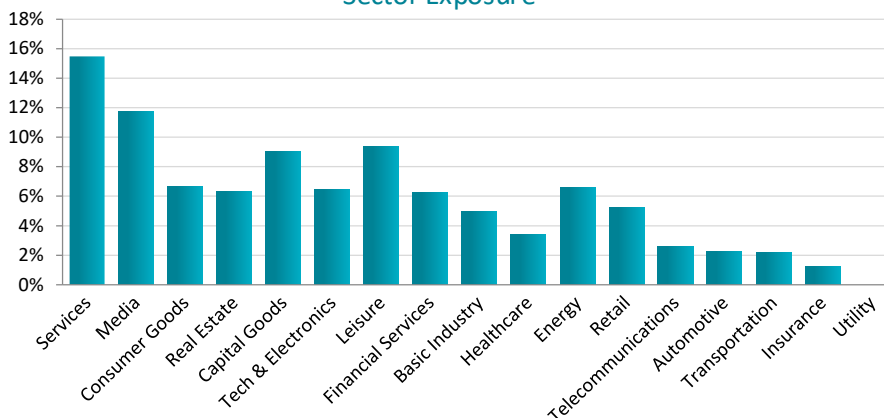
### Characteristics

CHARACTERISTICS	Portfolio
Average Years to Maturity	2.5
Yield to Maturity	6.34%
Yield To Worst	6.16%
Current Yield	5.93%
Duration To Worst	1.9
Average Coupon	5.88%
Option Adjusted Spread	167
Average Price	99
Cash Position	0.2%
Number of Issuers	139
Number of Positions	188
Average ML Rating	B1

### Ratings



### Sector Exposure



Source: AXA IM, FactSet, as of October 31, 2024. All data exclusive of cash. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Diversification does not ensure a profit or protection against a loss.

## US Core High Yield: Strategy Activity and Performance

### Portfolio management comments

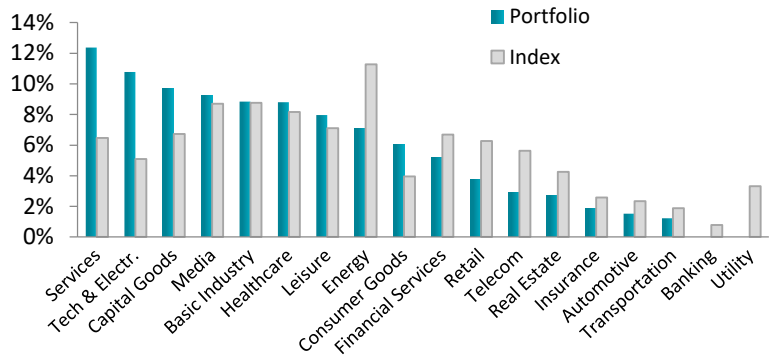
AXA IM's core unconstrained US high yield strategy outperformed the US high yield market during the month of October (both net and gross, USD). Both the strategy's macro risk positioning and its security selection contributed positively to relative performance. More specifically, an overweight within the shortest duration segment of the market and selection in that same segment were two key positive contributors to relative performance while being underweight the highest yielding segment was the largest detractor.

From a sector perspective, selection within the Basic Industry and Financial Services sectors were the largest positive contributors to relative performance. This was partly driven by a position in AOC Resins, a CCC rated composite resin producer, who agreed to be acquired by a much larger player. Key detractors included being underweight the Telecommunications sector and security selection within the Media industry, particularly in the Cable & Satellite TV sub-sector.

### Characteristics

CHARACTERISTICS	Portfolio	Index
Average Years to Maturity	<b>4.7</b>	4.8
Yield to Maturity	<b>7.28%</b>	7.51%
Yield To Worst	<b>7.09%</b>	7.33%
Current Yield	<b>6.87%</b>	6.64%
Duration To Worst	<b>3.2</b>	3.4
Average Coupon	<b>6.71%</b>	6.35%
Option Adjusted Spread	<b>255</b>	288
Average Price	<b>98</b>	96
Cash Position	<b>2.1%</b>	N/A
Number of Issuers	<b>221</b>	879
Number of Positions	<b>293</b>	1875
Average ML Rating	<b>B1</b>	B1

### Sector Exposure



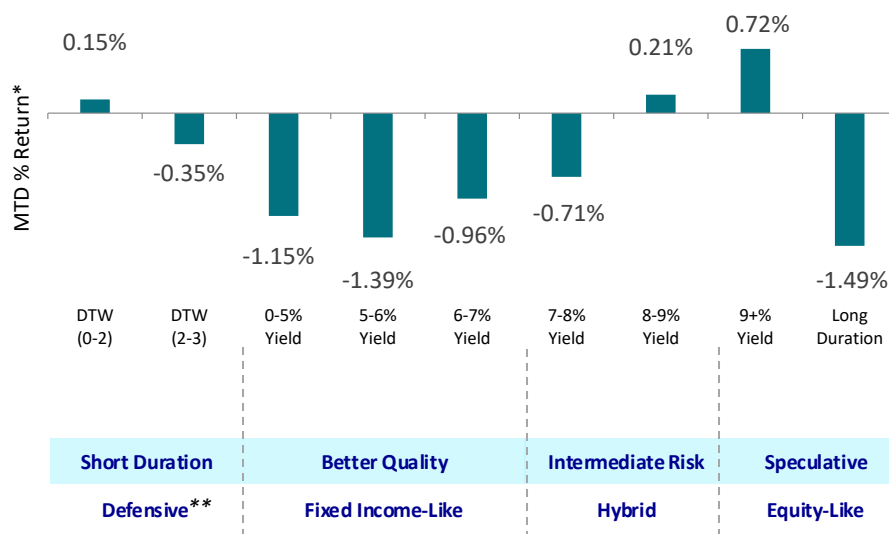
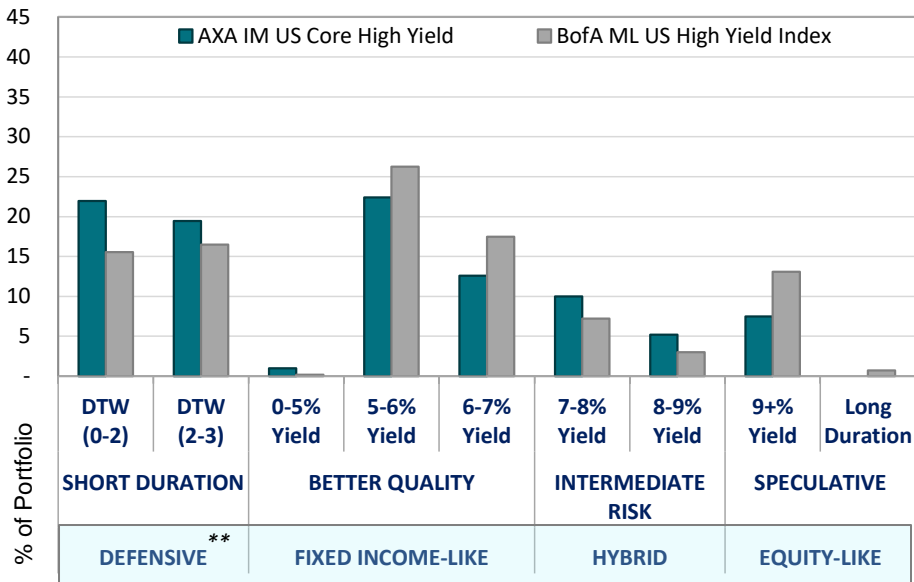
Source: AXA IM, FactSet, as of October 31, 2024. Index: ICE BofA Merrill Lynch US High Yield. All data exclusive of cash. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts.

## US Core High Yield: Strategy Activity and Performance

### Portfolio management comments

Our flagship strategy finished the month with a yield-to-worst of 7.09% (exclusive of cash) which was lower than the benchmark's yield-to-worst of 7.33%. The strategy's duration-to-worst of 3.2 (ex-cash) was also just below the benchmark's duration-to-worst of 3.4. We continue to believe that the default rate of the US high yield bond market is unlikely to increase to a level significantly higher than its long-term average. Based on our outlook for the economy and current valuations, we maintain that the US High Yield market can deliver an attractive carry-driven total return over the next 12 months.

### Broad Risk Positioning



\*Returns are for bucket partitions of the BofAML US High Yield Index \*\*Defensive portion relative to the index

Source: AXA IM, FactSet, as of October 31, 2024. Index: ICE BofA Merrill Lynch US High Yield. All data exclusive of cash. Past performance is not indicative of future results. For illustrative purposes only. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts.

## US Dynamic High Yield: Strategy Activity and Performance

### Portfolio management comments

AXA IM's US Dynamic High Yield Bonds outperformed the ICE BofA Merrill Lynch US High Yield Index (both net-of-fees and gross-of-fees, USD) during the month of October. The strategy outperformed both the S&P (-1.0%) and the Russell 2000 (-1.5%) but underperformed the triple-C market (+0.6%). The strategy's outperformance versus the index was primarily driven by security selection in the BB, B and CC part of the market and the strategy's allocation to the CCC part of the market. The strategy's derivative positions had a modest positive impact on performance during the month.

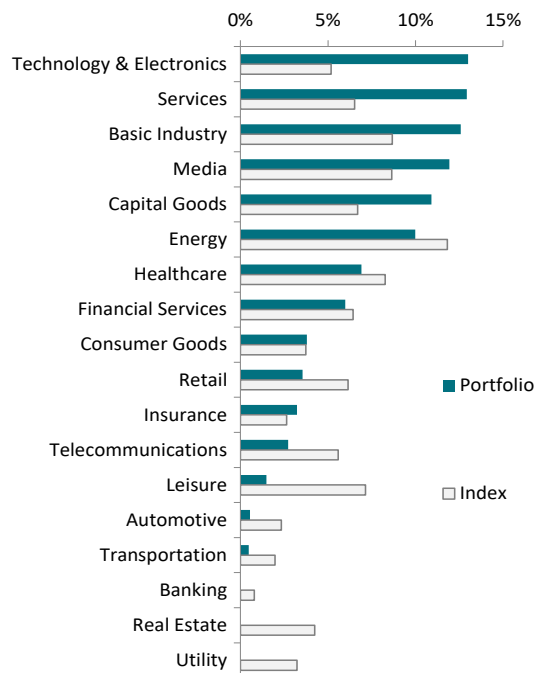
From a sector perspective, the strategy's performance was positively impacted by its security selection in the Media sector, primarily driven by the strategy's overweight position in Cox Media. Performance was negatively impacted by security selection in the Wireline Integrated & Services sector, primarily driven by the strategy's overweight position in Zayo and the strategy's underweight in Altice France.

The strategy finished the month with a yield-to-worst of 8.3% (exclusive of cash and derivatives) compared to the benchmark yield-to-worst of 7.3%. The duration-to-worst of the strategy was 3.1 compared to the benchmark duration-to-worst of 3.4. HY bond yields remain above recent historical averages, providing greater opportunities for the strategy. We continue believe the risk of a severe recession and a rise in the default rate of the US HY bond market to a level significantly higher than the long-term average is a low probability. The strategy will continue to participate in the primary market to provide incremental risk-adjusted return. As of month-end, the strategy holds 18 derivative positions related to 15 issuers. All of these derivative positions are expressing long credit views on individual issuers, and including these derivative positions, the strategy's exposure was 110% gross and 110% net.

### Characteristics

CHARACTERISTICS	Portfolio	Index
Yield to Maturity	<b>8.67%</b>	7.51%
Yield To Worst	<b>8.34%</b>	7.33%
Current Yield	<b>8.22%</b>	6.65%
Duration To Worst	<b>3.05</b>	3.41
Average Coupon	<b>7.99%</b>	6.35%
Option Adjusted Spread	<b>382</b>	288
Average Price	<b>11</b>	9
Average ML Rating	<b>97</b>	96
Number of Issuers	<b>123</b>	879
Number of Cash Bonds	<b>134</b>	1,876
Number of CDS Positions	<b>18</b>	N/A

### Sector Exposure



Source: AXA IM, FactSet, as of October 31, 2024. All data exclusive of cash. Index: ICE BofA Merrill Lynch US High Yield. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts

## US High Yield Risks Overview

**CREDIT RISK** - If an issuer of bonds defaults on its obligations to pay income or repay capital, it may result in a decrease in portfolio value. The value of a bond (and subsequently, the portfolio) is also affected by changes in credit rating downgrades and/ or market perceptions of the risk of future default. Investment grade issuers are regarded as less likely to default than issuers of high yield bonds. High-yield, lower-rated, securities involve greater risk than higher-rated securities. Portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not.

**RISK OF CAPITAL LOSS** – Any investment in our high yield strategies are not guaranteed and returns can be negative. The performance of a portfolio may not be consistent with the objectives of investors and their investment may not be fully returned.

**INTEREST RATE RISK** - Fluctuations in interest rates will change the value of bonds, impacting the value of the investment portfolio. Often, when interest rates rise, the value of the bonds fall and vice versa. The valuation of bonds will also change according to market perceptions of future movements in interest rates.

**LIQUIDITY RISK** - Some investments may trade infrequently and in small volumes and the risk of low liquidity level in certain market conditions might lead to difficulties in valuing, purchasing or selling bonds.

**HIGH YIELD BOND RISK** - The portfolio will be exposed to a risk related to investments in high yield financial instruments. These instruments present higher default risks than those of the investment grade category. In case of default, the value of these instruments may decrease significantly, which would affect the value of the portfolio. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates.

**RE-INVESTMENT RISK** - Reinvestment risk describes the risk that, as interest rates or market environment changes, the future coupons and principal from any bond may have to be reinvested in a less favorable rate environment. This is more likely to occur during periods of declining interest rates when issuers can issue bonds with lower levels of coupon. Re-investment risk may be greater with callable bonds.

**LEVERAGE RISK** - Portfolios may invest in derivatives including Credit Default Swaps (CDS) and Total Return Swaps (TRS) for leverage purposes. The use of derivatives can involve significant economic leverage and may, in some cases, involve a significant risk of loss. The low initial margin deposits normally required to establish a position in such instruments permits leverage. As a result, a relatively small movement in the price of the contract and/or of one of its parameters may result in a profit or a loss that is high in proportion to the amount of assets actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited.

## US SHORT DURATION HIGH YIELD COMPOSITE

### GIPS Compliant Performance Presentation

#### Investment Strategy Objective

Aims to generate high current income by investing in better-quality, non-investment grade debt of U.S. companies with an expected redemption of three years or less.

#### Composite Benchmark

The "US Short Duration High Yield" composite is not shown against a benchmark, since the strategy is an absolute return strategy and not managed against a benchmark.

#### General Information

Reporting date	October 31, 2024
Composite Start Date	September 30, 2001
Composite Creation Date	September 30, 2001
Composite Currency	USD

Annualized (%)	1 year	3 year	5 year	10 year	Since inception
Composite (Gross)	11.93	3.98	4.09	4.02	5.45
Composite (Net)	11.44	3.51	3.63	3.56	4.96

Calendar year (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite (Gross)	10.28	-4.55	3.80	4.38	8.50	1.69	3.98	6.38	1.23	1.51
Composite (Net)	9.79	-4.98	3.34	3.93	8.06	1.22	3.48	5.88	0.77	1.03
Internal Dispersion (Std. Deviation)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Composite Volatility 3y (%)	5.65	6.46	4.50	4.57	1.81	1.63	2.29	2.62	2.70	2.24

As of end of period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite Assets (USD mil)	4,980	5,494	6,507	5,772	5,712	5,575	8,217	10,039	11,014	12,390
# of Portfolios in Composite	4	4	5	5	7	4	4	5	4	3
Total Firm Discr.Assets (USD mil)	261,958	245,657	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)	613,774	583,539	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

Source: AXA IM Past results are not indicative of future performance. No assurances can be made that profits will be achieved or that substantial losses will not be incurred. Returns assume the reinvestment of distributions.

## US CORE HIGH YIELD COMPOSITE

### GIPS Compliant Performance Presentation

#### Investment Strategy Objective

Generates total returns by investing in the full maturity spectrum of non-investment grade debt of U.S. companies with improving fundamentals. The portfolios in this composite are managed with a total return investment strategy and aim to provide risk-adjusted out-performance, given their respective benchmarks and constraints.

#### Composite Benchmark

ICE BofA Merrill Lynch US High Yield Index (H0A0)

#### General Information

Reporting date	October 31, 2024
Composite Start Date	September 30, 2001
Composite Creation Date	September 30, 2001
Composite Currency	USD

Annualized (%)	1 year	3 year	5 year	10 year	Since inception
Composite (Gross)	16.83	3.92	5.25	5.10	7.66
Composite (Net)	16.28	3.42	4.75	4.60	7.15
Benchmark	16.47	2.95	4.38	4.78	7.23

Calendar year (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite (Gross)	13.04	-9.11	5.04	8.04	13.30	-1.20	8.07	15.83	-4.47	2.08
Composite (Net)	12.50	-9.55	4.54	7.53	12.77	-1.68	7.55	15.29	-4.92	1.59
Benchmark	13.46	-11.22	5.36	6.17	14.41	-2.26	7.48	17.49	-4.64	2.50
Internal Dispersion (Std. Deviation)	0.13	0.23	0.15	0.28	0.19	0.07	0.35	0.16	0.07	0.05
Composite Volatility 3y (%)	7.93	9.54	7.34	7.58	3.67	4.18	5.47	5.84	5.21	4.04
Benchmark Volatility 3y (%)	8.34	11.10	9.14	9.39	4.13	4.64	5.60	6.03	5.27	4.44

As of end of period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite Assets (USD mil)	3,009	2,866	4,758	5,575	4,649	4,221	5,010	5,578	6,882	7,549
# of Portfolios in Composite	10	10	12	12	11	11	11	11	10	8
Total Firm Discr.Assets (USD mil)	261,958	245,657	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)	613,774	583,539	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

Source: AXA IM Past results are not indicative of future performance. No assurances can be made that profits will be achieved or that substantial losses will not be incurred. Returns assume the reinvestment of distributions.



## US DYNAMIC HIGH YIELD COMPOSITE

### GIPS Compliant Performance Presentation

#### Investment Strategy Objective

Seeks to generate high income by investing in US high yield debt securities and credit default swaps. This is a total return investment strategy that aims to provide risk-adjusted out-performance, given their respective benchmarks and constraints

#### Composite Benchmark

BofA Merrill Lynch US High Yield Index (H0A0)

#### General Information

Reporting date	October 31, 2024
Composite Start Date	February 28, 2014
Composite Creation Date	February 22, 2017
Composite Currency	USD

Annualized (%)	1 Year	3 Year	5 Year	10 Year	Since inception
Composite (Gross)	21.96	5.44	8.05	7.38	7.17
Composite (Net)	21.24	4.82	7.41	6.75	6.53
Benchmark	16.47	2.95	4.38	4.78	4.66

Calendar year (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014*
Composite (Gross)	18.96	-12.17	7.41	12.67	19.64	-3.87	12.15	24.4	-7.98	1.27
Composite (Net)	18.26	-12.70	6.77	12.01	18.93	-4.45	11.48	23.67	-8.53	0.77
Benchmark	13.46	-11.22	5.36	6.17	14.41	-2.26	7.48	17.49	-4.64	-0.25
Composite Volatility 3y (%)	10.05	13.51	11.48	11.98	5.94	6.08	7.24	N/A	N/A	N/A
Benchmark Volatility 3y (%)	8.34	11.10	9.14	9.39	4.13	4.64	5.60	N/A	N/A	N/A

As of end of period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite Assets (USD mil)	964	936	1,444	740	319	214	232	122	93	108
# of Portfolios in Composite	1	1	1	1	1	1	1	1	1	1
Total Firm Discr.Assets (USD mil)	261,958	245,657	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)	613,774	583,539	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

Source: AXA IM Past results are not indicative of future performance. No assurances can be made that profits will be achieved or that substantial losses will not be incurred. Returns assume the reinvestment of distributions.

# GIPS® Performance Disclosure Notes

## Error Disclosure

In previous versions of the GIPS Composite slide in this Perspectives document from December 2023 to February 2024, there were material and/or immaterial errors in the 3 and/or 6-month cumulative performance. This error resulted from an anomaly between a third-party and our local systems.

An internal GIPS review revealed that some GIPS-required information was omitted or erroneous in prior iterations of this GIPS presentation, including:

- For all composites: the calendar year composites and respective indexes volatility 3y % were omitted. The Composites Total Firm AUM for 2022 was inaccurately stated.
- Dynamic HY Composite and Index: Calendar year 2014 partial and 2015 returns were omitted as well as the 2014 and 2015 composite assets and number of portfolios.

These errors and omissions have all been addressed in Perspectives documents dated after March 31, 2024.

## Claim of Compliance

AXA IM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AXA IM has been independently verified for the periods from December 31, 1999 through December 31, 2022. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## Presentation of the Firm

AXA IM is an active long-term, responsible multi-asset manager with investment centres in the Americas, Asia Pacific and Europe offering the following investment capabilities:

**Equity Fundamental** (formerly Framlington) - active, bottom-up stock selection approach for core equities and thematic equity strategies incorporating specialist investment capabilities and responsible investing (RI);

**Equity QI** (Quant Investing) - offering quantitative investing by the use of technology and modelling to deliver fundamental strategies including advanced factor, systematic alpha and targeted outcome, underpinned by environmental, social and governance (ESG) principles;

**Fixed Income** - a robust, repeatable process, which involves bottom-up credit analysis and top-down macroeconomic research to deliver outcome-oriented solutions that span the fixed income spectrum; a range of high yield strategies investing within and across regions, sectors and maturities. Dedicated high yield teams employ a consistent investment process which has been tested over a range of market cycles and conditions; a strong bottom-up credit analysis and top-down macroeconomic research approach for traditional, benchmarked to fully flexible strategies which employ several different investment styles, including active and buy-and-maintain;

**Multi Asset** - a combined fundamental top-down and bottom-up analysis with embedded risk monitoring to all client types for outcome-oriented and customized multi-asset solutions.

**Alternative Credit** - a broad range of alternative sources of return from across the credit continuum, beyond traditional credit investments, to suit various risk/return and liquidity profiles through standalone and multi-strategy investments;

## Listed Real Assets Equity

GIPS firm historical changes are available upon request.

## List of Composites and Pool funds

A list of composite descriptions and a list of fund descriptions for limited and broadly distributed pooled funds are available upon request.

## Use of derivatives:

Portfolios may invest in derivatives including Credit Default Swaps (CDS) and Total Return Swaps (TRS) for leverage purposes. Please refer to composite investment strategy for any use of derivatives.

## Portfolio Valuation

Portfolios are valued according to the market closing prices each day, except for certain portfolios valued in Germany, which use the closing price of the previous day, and the UK, where the price used is the 2pm price of the same day. In order to apply this valuation policy, the NAV of the day following the valuation date is used for certain portfolios. Dividends paid on securities in the portfolio are accounted for using ex-dividend date and are gross of any withholding taxes. Buy and sell transactions are taken into account using trade-date valuation after confirmation of the trade by the counterparty, except in Germany where settlement date valuation is used. Accrued interest on debt securities is recorded each time the portfolio is valued. All proceeds, including realized and unrealized gains or losses in the portfolio are included in the value of assets. There are minor exceptions to these general rules for specific types of portfolios. Some securities in portfolios of US High Yield composites are valued by reference to broker quotes.

## Minimum Asset Level & Total Firm Assets

The minimum portfolio size for the US High Yield and US Investment Grade composites is 10,000,000 USD. If the portfolio falls below 10,000,000 USD for more than three months it is excluded from the performance calculations for the following month. For all other composites, the upper threshold is defined at 10,000,000 EUR the lower threshold at 8,000,000 EUR, with a 6-month grace period. AUM figures for the Firm include all portfolios falling within the definition of the Firm.

## GIPS® Performance Disclosure Notes (continued)

### Significant Cash Flows

If the average cash balance of a portfolio is above 10% for a specific month, the entire portfolio is temporarily removed from the composite performance for that particular month. Additional information regarding the treatment of significant cash flows is available upon request.

### Dispersion

Dispersion is defined as the standard deviation of portfolios returns for the period in question, taking into account the portfolio beginning relative weight (equally weighted measure until December 2020, asset weighted dispersion measure since January 2021). It is only displayed if there are at least five portfolios that remain for the entire period in the composite.

### Currency Used to Express Performance

Composite performance figures are presented in the currency of the composite.

### Performance Results / Fees

Composite returns are calculated both gross and net of fees. Gross of fees returns are calculated gross of management and custodial fees and net of all trading expenses. Net performance results shown are net of a model management fee which represents the highest fee applicable to institutional investors shown below:

US Core High Yield Composite: First \$50 million: 0.48%; next \$50 million: 0.44%, next \$50 million: 0.41%, next \$50 million: 0.39%, Amount above \$200 million: 0.37%.

US Short Duration High Yield Composite: Flat fee: 0.45%.

US Dynamic High Yield Composite: Flat fee: 0.60%.

US Enhanced High Yield Composite: Flat fee: 0.95%

US Investment Grade Corporate Bond Composites: First \$50 Million: 0.26%; next \$50 million: 0.24%; next \$50 million: 0.20%; next \$50 million: 0.18%. Amount above \$200 million: 0.17%.

Global High Yield Composite: First \$50 million: 0.48%; next \$50 million: 0.44%, next \$50 million: 0.41%, next \$50 million: 0.39%, Amount above \$200 million: 0.37%.

US High Yield Low Carbon Composite: First \$50 million: 0.48%; next \$50 million: 0.44%, next \$50 million: 0.41%, next \$50 million: 0.39%, Amount above \$200 million: 0.37%.

### Benchmarks

The composite may be managed against a specific benchmark as indicated on the composite page. The extent to which any given composite invests in countries or regions not included in the benchmark depends on the limits (if any) specified in the investment management contracts of the individual portfolios in the composite. In general, such investment is marginal and is typically less than 10% for any given portfolio.

### Compliance with Local Laws

This performance presentation does not conflict with any relevant local laws in any of the AXA IM management centres included in the Firm perimeter.

### Calculation Methods

Composite performance is calculated on a monthly basis as follows:

- The portfolios entering the performance calculation are determined according to the Minimum Asset Level described above.
- Each portfolio brings its own specific start and end dates to the calculation, depending on the particular valuation dates of the portfolio.
- The performance of each portfolio is calculated using the start and end dates relevant to the period in question, and using daily-weighted cash flows.
- The performance of a composite is calculated as a weighted average (using each portfolio's assets under management as at each portfolio's specific start date for the period in question) of the performances of the portfolios.
- Quarterly, annual, cumulative and since-inception returns are calculated by linking the composite monthly returns through compounded multiplication..



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